

Initial Draft Proposal for Anti-Fraud Funding from Mendocino County

TO: State of California Department of Social Services

ATTENTION: Carrie Stone, Manager QA Monitoring Unit, CDSS

SUBJECT: FOR USE OF FUNDING FOR FRAUD INVESTIGATIONS AND PROGRAM INTEGRITY EFFORTS RELATED TO THE IN-HOME SUPPORTIVE SERVICES PROGRAM PURSUANT TO THE CALIFORNIA STATE BUDGET ACT OF 2009

BACKGROUND AND PROPOSAL:

Mendocino County Health and Human Services Agency (HHSA) Social Services Branch has its own dedicated Special Investigations Unit (SIU) that serves all divisions of the Branch. This includes CalWorks, Food Stamps, General Assistance, Children's Services, and Adult Services [including In-Home Supportive Services (IHSS)]. Currently there is no dedicated investigator assigned to IHSS investigations. We are seeking these funds to provide staffing for a dedicated IHSS Fraud Investigator, and would be able to reassign current staff to this endeavor upon approval of funds from the State.

The funds from the 2009 Budget allocation to Mendocino County for purposes of the Fraud Investigations and Program Integrity Efforts Related to the In-Home Supportive Services Program will be applied to hiring staff specifically dedicated to the prevention, investigation and prosecution of IHSS Fraud. Positions funded for IHSS anti-fraud activities would be: one full-time IHSS Fraud Investigator; one half-time IHSS Social Worker; and, one half-time Eligibility Worker.

We will be able to track and complete all necessary reports as required by the state, starting August 1, 2010, and each subsequent year thereafter.

The dedicated IHSS Fraud Investigator will take the lead in:

- Fraud investigations
- Fraud-prevention activities
- Partnership collaboration and investigation coordination (as needed) with our District Attorney's Office, California Department of Social Services, and the California Department of Health Care Services (DHCS) as well as other partner agencies
- Assisting with Quality Assurance (QA) home visits, and unannounced drop-in visits where fraud is suspected;
- Assist with collection of data, tracking of referrals, over/under payments referrals and assistance completion of timely reports (Starting August 1, 2010);
- Participate in provider orientations anti-fraud component;
- Assist in collaborating and training IHSS social work staff in fraud detection;
- Review, analyze and complete actions related to criminal background checks for provider enrollment;
- Random review of timesheet fingerprints (when instituted);
- Complete related anti-fraud activities
 - Such as processing rap sheets, rap backs, and appeals

The Eligibility Worker:

- Processes all overpayments and underpayments uncovered during a fraud investigation
- This position is also utilized as an Expert Witness in this area when fraud cases are being prosecuted in court, and at fair hearings
- Assists in collecting statistics of actions and outcomes

The Social Worker:

- Conducts QA home visits.
- Drop-in visits as needed in fraud investigations
- Fraud prevention activities.
- Coordination and collaboration with cases involving Adult Protective Services.

The Mendocino County District Attorney's Office is establishing an Elder Abuse Prosecution Unit and it is anticipated that coordinated collaboration between the Social Worker and the District Attorney's Office, will be essential as IHSS fraud situations may also contain elements of elder abuse and neglect (which may also result in additional prosecution).

PLAN COMPONENTS:

IHSS Fraud Referrals, Investigations, and Collaboration:

A method of review and assignment of suspected IHSS fraud cases to investigators flows through a single point of contact at the Mendocino County Health and Human Services Agency Social Services Branch SIU. The dedicated IHSS Investigator would receive and investigate all suspected IHSS fraud referrals. This Investigator would participate in the screening and assignment of IHSS fraud referrals, coordinate investigations, collect evidence and collaborate as needed with the District Attorney's Office, the California Department of Social Services (CDSS) Investigators, and the California Department of Health Care Services [DHCS (MediCal)] Investigators. All findings would be collaborated, on required cases, with DHCS, CDSS, and with the local District Attorney for presentation and prosecution locally. A process will be established for regular contacts with In-Home Supportive Services, the IHSS Public Authority, Adult Protective Services, IHSS Quality Assurance, and other partner programs, as well as regular contact and activities with the District Attorney's Office to coordinate joint investigations, evidence collection, documentation, follow-up and prosecution of fraud referrals. Other duties include anti-fraud training, as part of IHSS provider orientation, community outreach, and anti-fraud training for consumers and their family members, support and consultation for County staff, data collection, and reports to management and the State. The SIU Social Worker would be concurrently involved with investigating each referral for any evidence of abuse incurred as a result of fraud. They would coordinate findings of abuse with substantiation to our Elder Abuse Division of our District Attorney's Office for review and prosecution.

Overpayments/Underpayments:

In Mendocino County, all IHSS and QA staff receives training and have guidelines to help uncover potential overpayments and underpayments. Anyone discovering potential fraud is required to make a referral and will assist in processing the overpayment or taking appropriate action to remedy an underpayment. Currently staff is encouraged to contact SIU to discuss the merits of a potential fraud referral. Our dedicated Sr. Eligibility Worker would be utilized to process overpayments and testify in court as needed on this process.

Reporting and Tracking of Referrals and Outcomes:

All IHSS fraud referrals flow through a single line of communication. Fraud referrals are made by IHSS Social Worker's or Social Worker Assistants through their Supervisor. The supervisor sends all information through our Quality Assurance (QA) Specialist, who collects and makes the referral to the State DHCS (MC 609). The QA Specialist forwards all referral information to SIU clerical where it is logged, reviewed and cases are assigned by the SIU Supervisor. Any referral outcome is collected, and referred back through the same line of contacts. No one is allowed to bypass the chain of reporting responsibilities. The existing HHSA Adult and Aging Services Division Policy # IHSS 09-053, "IHSS Special Investigations Unit Referral Procedure for Suspected Fraud," covers this process. This tracking system can be modified to include tracking of fraud referrals to DCHS.

Vital statistics of all investigations are collected and logged on a spreadsheet by the SIU clerical person. The current clerical position will be used as a central resource for all IHSS Fraud referral and outcome activity data. This employee would collaborate in concert with the IHSS Investigator and IHSS QA Specialist to produce the required reports for the State of California, commencing August 1, 2010.

Proposed Positions and Their Fully Loaded Cost (Salary and Benefits):

POSITION ALLOCATION AND PROPOSED COST TABLE		
POSITION	TITLE	BUDGET (Salary + Benefits)
1.0 FTE	INVESTIGATOR I	\$102,984.00
0.5 FTE	SOCIAL WORKER III	\$47,456.00
0.5 FTE	SR. ELIGIBILITY WORKER	\$ 35,882.00
	Office Supplies/Overhead	\$11,785.00
	TOTAL REQUEST	\$ 198,107.00

Enclosure B

COUNTY RESPONSE COVER PAGE – MUST BE FULLY COMPLETED AND SUBMITTED WITH PLAN AND DATA

MENDOCINO County is requesting participation in the Enhanced Anti-Fraud Program. A draft Plan and Data as described above was submitted on November 1, 2009.

Board of Supervisor Approval

Approved on DECEMBER 15, 2009, by the County Board of Supervisors

Name of Approver: John Pinches, Chair, or Carre Brown, Vice Chair

Signature 

Name of County District Attorney Representative: Meridith Lintott D.A.

County District Attorney Representative Telephone #: 707-463-4211

Email address: lintottm@co.mendocino.ca.us

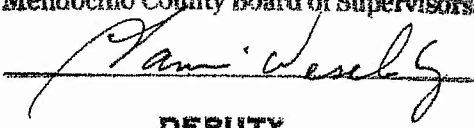
Name of County Welfare Department Representative: John Martire Chief of SIU

County Welfare Department Representative Telephone # 707-467-5856

Email Address: martirej@mcdss.org

ATTEST:


Kristi Furman, Clerk of the Board
Mendocino County Board of Supervisors



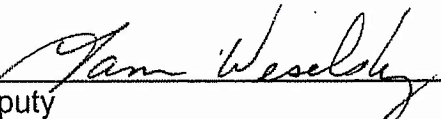
DEPUTY

IN WITNESS WHEREOF, the parties hereto have executed this Proposal to the State as of the day and year first above written.

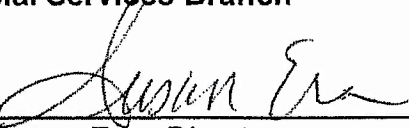
COUNTY OF MENDOCINO

By: 
John Pinches, Chair
And/or Carre Brown, Vice Chair
Board of Supervisors

ATTEST:
KRISTI FURMAN, Clerk of said Board

By: 
Deputy

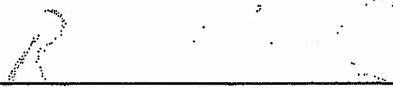
HEALTH AND HUMAN SERVICES
AGENCY
Social Services Branch

By: 
Susan Era - Director
Adult & Older Adult System of Care

Date: 12-1-09

APPROVED AS TO FORM:

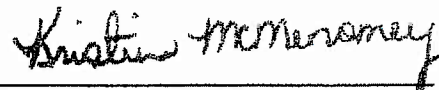
JEANINE B. NADEL, County Counsel

By: 

Date: 12-2-09

INSURANCE REQUIREMENTS:

KRISTIN McMENOMEY, Director
General Services Agency

By: 

RISK MANAGER

Date: 12-2-09

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

COVERSHEET FOR ENCLOSURE D STATISTICS

Section 1

Overpayments Identified by County Quality Assurance (QA)

In Mendocino County we consider all employees as overseers of quality in an IHSS case. Our social workers and social worker assistants have been trained on how to recognize possible fraud.

In this section, the numbers of identified overpayments are a collective effort of all IHSS staff.

Section 2

Underpayments

In past years Mendocino County has had a minute amount of underpayments. Their most likely cause is from being short-staffed and being unable to transmit any necessary corrections into Case Management Information Payroll System (CMIPS) for proper time keeping.

When underpayments were discovered, we simply issued the correct supplemental time sheets and made the supplemental payments.

Section 3

Fraud Referrals and Outcomes

Mendocino County has been diligent in making the referrals to the State; to date we have not received any outcome responses from them.

Section 4

DA Utilization

Cases are investigated by our internal Special Investigations unit (SIU); referrals are made to the DA for consideration of prosecution. A diligent search by our staff revealed only the one referral for prosecution this year with an outcome of a conviction.

ENCLOSURE D

County: MEINDOCINO COUNTY

Overpayments identified by County QA

		04 05	05 06	06 07	07 08	08 09
Total Amount per Fiscal Year:		\$ 2,747	\$ 1,465	\$ 4,697	\$ 2,591	\$ 13,056
Number of Instances:		7	3	7	5	5
Breakdown of Causes	Provider:	6	3	5	5	4
	Recipient:	1	0	2	0	1
	County Error:					
	Unknown:					
	Other:					

Underpayments identified by County QA

		04 05	05 06	06 07	07 08	08 09
Total Amount per Fiscal Year:		not tracked	not tracked	not tracked	not tracked	not tracked
Number of Instances:						
Breakdown of Causes	Provider:					
	Recipient:					
	County Error:					
	Unknown:	unknown	unknown	unknown	unknown	unknown
	Other:					

Fraud Referrals/Outcomes

		04 05	05 06	06 07	07 08	08 09
Number of referrals to DHCS:		34	11	18	13	5
Number handled locally by DA:		0	0	0	0	1
Number of convictions:						1
Court Ordered Restitution:						
Amount of funds involved in the convictions:						\$500
Amount of funds recovered:						
Amount of funds pending recovery:						\$500
Basis for the Conviction:						
Individuals Responsible	Recipient:	4	0	2	1	1
	Provider:	20	11	16	12	19
	County Staff:					
	Other:					
	Unknown:					

Enclosure D Page Two

Utilization of County DA for Fraud		04-05	05-06	06-07	07-08	08-09
Documented referrals to DA						1
Outcomes	Accepted:					
	Rejected:					
	Pending:					
	Completed Investigation					
	No Fraud:					
	Restitution Action:					
	Referred for Prosecution:					
	Criminal Charges Filed:					
	No Charges Filed:					
	Convictions:					
	Acquittals:					
	Dismissals:					
	Pending Investigation:					
	Restitution					
	Court Ordered:					
	Restitution Action:					
	Fines					
	Prosecutions Completed					1
	Convictions					
	Misdemeanor					
	Felony					1

DEFINITIONS

For purposes of program reporting, terms and concepts are defined as follows:

Documented Case Referral means:

Cases received through specified dates that substantially comply with the documented case referral protocol.

Documented Case Referrals are classified as:

Pending – cases awaiting review/case bank

Accepted – cases that are opened and assigned for investigation

Rejected – no further action will occur

Investigations

Investigation opened means cases in which an investigator or Deputy District Attorney has been assigned to a case.

Completed Investigation

Case is closed by court action or deemed unsubstantiated.

Cases

Multiple defendant cases should be counted as single cases, not a separate case for each defendant unless the number or names of the individual defendants are specified.

Fines

"Fines" are fines imposed by the court. Penalty assessments may be included. They do not include booking fees, probation supervision fees or restitution.

Provider fraud

Fraud perpetrated by IHSS Providers.

Recipient fraud

Fraud perpetrated by the IHSS recipient.



MENDOCINO COUNTY BOARD OF SUPERVISORS
ONLINE AGENDA SUMMARY

BOARD AGENDA # 4(12)



-Arrangements for public hearings and timed presentations must be made with the Clerk of the Board in advance of public/media noticing
 -Agenda Summaries must be submitted no later than noon Monday, 15 days prior to the meeting date (along with electronic submittals)
 -Send 1 complete original single-sided set and 1 photocopy set - Items must be signed-off by appropriate departments and/or Co. Co.
 Note: If individual supporting document(s) exceed 25 pages each, or are not easily duplicated, please provide 7 hard-copy sets)
 -Transmittal of electronic Agenda Summaries, records, and supporting documentation must be emailed to: boaagenda@co.mendocino.ca.us
 -Electronic Transmission Checklist: ☒ Agenda Summary ☐ Records ☐ Supp. Doc. ☐ If applicable, list other online information below
 -Executed records will be returned to the department within one week. Arrangements for expedited processing must be made in advance

TO: Board of Supervisors DATE: December 1, 2009

FROM: ✓ HHSA- Adult and Older Adult System of Care MEETING DATE: December 15, 2009

DEPARTMENT RESOURCE/CONTACT: Susana Wilson PHONE: 472-2336 Present ☐ On Call ☒
 Branch Director Name: Susan Era PHONE: 463-7724 Present ☒ On Call ☐

Consent Agenda ☒ Regular Agenda ☐ Noticed Public Hearing ☐ Time Allocated for Item: _____

■ **AGENDA TITLE:** Approve and Authorize the Chair to sign the Mendocino County In-Home Supportive Services (IHSS) Enhanced Anti-Fraud Program Plan - Health and Human Services Agency, Adult and Older Adult System of Care

■ **PREVIOUS BOARD/BOARD COMMITTEE ACTIONS:** None

■ **SUMMARY OF REQUEST:** The State Budget Act of 2009 appropriated ten million dollars of state funds for the purpose of fraud prevention, detection, referral, investigation, and additional program integrity efforts related to the In-Home Supportive Services Program. This enhanced effort will also provide additional support and assistance in the prevention and detection of elder and dependent adult abuse. In order to participate in the IHSS Enhanced Anti-Fraud Program, and have a chance to receive additional funding in the amount of \$166,001, from State and Federal funds (with a county share of \$32,106), for a total of \$198,107, counties are required to submit a plan and budget for implementation that has been approved by the County Board of Supervisors. The funds from the 2009 Budget allocation to Mendocino County for purposes of the Fraud Investigations and Program Integrity Efforts related to the In-Home Supportive Services Program will be applied to staff specifically dedicated to the prevention, investigation, and prosecution of IHSS Fraud. The positions would be: one full-time Welfare Investigator; one half-time IHSS Social Worker; and, one half-time Eligibility Worker.

■ **SUPPLEMENTAL INFORMATION AVAILABLE ONLINE AT:**

■ **ADDITIONAL INFORMATION ON FILE WITH THE CLERK OF THE BOARD (CHECKED BY COB IF APPLICABLE):** ☐

FISCAL IMPACT:			
Source of Funding	Current F/Y Cost	Annual Recurring Cost	Budgeted in Current F/Y
County Funds	\$32,106	\$32,106 dependent on continued funding	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

■ **SUPERVISORIAL DISTRICT:** 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ All ☒ **VOTE REQUIREMENT:** Majority ☐ 4/5ths ☐

■ **RECOMMENDED ACTION/MOTION:** Approve and authorize the Board Chair to sign the Mendocino County In-Home Supportive Services Enhanced Anti-Fraud Program Plan, allowing the HHSA Adult and Older Adult System of Care Director to apply for these related funds.

■ **ALTERNATIVES:** Do not approve the Plan and forego the funds it would bring.

■ **CEO REVIEW (NAME):** Jennifer Wyatt PHONE: 463-4441

RECOMMENDATION: Agree ☐ Disagree ☐ No Opinion ☐ Alternate ☐ Staff Report Attached ☐

BOARD ACTION (DATE: 12-15-09): ☒ Approved ☐ Referred to _____ ☐ Other _____

RECORDS EXECUTED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____ ☐ Other _____

Budget Justification

MENDOCINO County's Fraud Funding Plan for FY 2009-10

Budget Section	Total
A. Personnel Costs (Includes employee benefits)	\$ 88632
B. Operating Expenses	\$ 7159
C. Equipment Expenses	\$ 2864
D. Travel/Per Diem and Training	\$ 4296
E. Subcontracts and Consultants	\$ 0
F. Other Costs	\$ 1432
G. Indirect Expenses	\$ 0
Total Expenses	\$ 104383

A. Personnel Costs (Including employee benefits)	Total Budget
Title: Welfare Investigator II Salary Calculation: for 5 1/2 months@ 1.0 FTE. S+B is \$31,022 + \$21,259=\$52,281 Duties Description: The dedicated IHSS Fraud Investigator will take the lead in: <ul style="list-style-type: none"> •Fraud investigations •Fraud-prevention activities •Partnership collaboration and investigation coordination (as needed) with our District Attorney's Office, California Department of Social Services, and the California Department of Health Care Services (DHCS) as well as other partner agencies •Assist with collection of data, tracking of referrals, over/under payments referrals and completion of required reports (Starting August 1, 2010); •Assisting with Quality Assurance (QA) home visits, and unannounced drop-in visits where fraud is suspected; •Participate in provider orientations anti-fraud component; •Assist in collaborating and training IHSS social work staff in fraud detection; •Review, analyze and complete actions related to criminal background checks for provider enrollment; •Random review of timesheet fingerprints (when instituted); •Complete related anti-fraud activities such as processing rap sheets, rap backs, and appeals 	\$ 52,281
Title: Social Worker Salary Calculation: for 5 1/2 months, 0.5 FTE. S+B is \$14,806 + \$8,143=\$22,949 Duties Description: The Social Worker: <ul style="list-style-type: none"> •Conducts QA home visits. •Drop-in visits as needed in fraud investigations •Fraud prevention activities. •Coordination and collaboration with cases involving Adult Protective Services. Investigating all fraud referrals for potential abuse and neglect. 	\$ 22,949
Title: Eligibility Worker III Salary Calculation: for 5 1/2 months, 0.25 FTE. S+B is \$10,511 + \$2891 Duties Description: The Eligibility Worker: <ul style="list-style-type: none"> •Processes all overpayments and underpayments uncovered during a fraud investigation •This position is also utilized as an Expert Witness in this area when fraud cases are being prosecuted in 	\$ 13,402

court, and at fair hearings • Assists in collecting statistics of actions and outcomes	
Title:	\$
Salary Calculation:	
Duties Description:	
Title:	\$
Salary Calculation:	
Duties Description:	
Title:	\$
Salary Calculation:	
Duties Description:	
Total Personnel Costs:	\$ 88,632

B. Operating Expenses	Total Budget
Title: OPERATING EXPENSES FOR ANTI-FRAUD POSITIONS	\$ 7159
Description: INCLUDES RENTS FOR OFFICE SPACE, UTILITIES, OFFICE SUPPLIES, INSURANCE, ACCOUNTING AND AUDITING OF POSITIONS. FOR ALL THREE POSITIONS PRORATED FOR 5 1/2 MONTHS OF FY 09/10	
Title:	\$
Description:	
Title:	\$
Description:	
Total Operating Expenses:	\$ 7159

C. Equipment Expenses	Total Budget
Title: EQUIPMENT COSTS FOR ANTI-FRAUD UNIT	\$ 2864
Description: INCLUDES RENTS AND LEASES OF COMPUTER AND COPY EQUIPMENT AND COMMUNICATIONS BETWEEN OFFICE AND FIELD UNIT AND MAINTAINENCE. COSTS ARE PRORATED FOR 5 1/2 MONTHS OF FY 09/10	
Title:	\$
Description:	
Title:	\$

Description:	
Total Equipment Expenses:	\$ 2864

D. Travel/Per Diem and Training	Total Budget
Title: TRAVEL EXPENSES FOR ANTI-FRAUD UNIT	\$ 4896
Description: TRAVEL EXPENSES (COUNTY VEHICLE), PER DIEM EXPENSES WHEN NECESSARY, AND TRAINING COSTS. COSTS ARE PRORATED FOR 5/12 OF FY 09/10.	
Title:	\$
Description:	
Title:	\$
Description:	
Total Travel/Per Diem and Training:	\$ 4896

E. Subcontracts and Consultants	Total Budget
Title: NONE	\$ 0
Description:	
Title:	\$
Description:	
Title:	\$
Description:	
Total Subcontracts and Consultants:	\$ 0

F. Other Costs	Total Budget
Title: OTHER COSTS INCURRED FOR IHSS ANTI-FRAUD UNIT	\$ 1432
Description: INCLUDES LEGAL FEES, PROFESSIONAL SERVICES, POSTING OF PUBLIC AND LEGAL NOTICES AS REQUIRED BY LAW. PRORATED FOR 5/12 OFFY 09/12	
Title:	\$
Description:	
Title:	\$

Description:	
Title:	\$
Description:	
Title:	\$
Description:	
Total Other Costs:	\$ 1432

G. Indirect Expenses	Total Budget
Title: none	\$ 0
Description:	
Title:	\$ 0
Description:	
Total Other Costs:	\$ 18613